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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/563,240	07/24/2006	Chin Kok Yap	Q92543	8683

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SUGHRUE MION, PLLC  
2100 PENNSYLVANIA AVENUE, N.W.  
SUITE 800  
WASHINGTON, DC 20037

EXAMINER
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BAYAT, BRADLEY B

ART UNIT	PAPER NUMBER
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3625

NOTIFICATION DATE	DELIVERY MODE
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09/17/2010

ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

sughrue@sughrue.com  
PPROCESSING@SUGHRUE.COM  
USPTO@SUGHRUE.COM

<b>Office Action Summary</b>	<b>Application No.</b> 10/563,240	<b>Applicant(s)</b> YAP, CHIN KOK	
	<b>Examiner</b> BRADLEY B. BAYAT	<b>Art Unit</b> 3625	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 03 January 2006.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-29 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-29 is/are rejected.
- 7) ☒ Claim(s) 1-29 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All    b) ☐ Some \*    c) ☐ None of:
1. ☒ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>1/3/2006; 2/14/2008</u> .                                     | 6) <input type="checkbox"/> Other: _____                          |

### **DETAILED ACTION**

This communication is in response to application filed on 1/3/2006. In an interview dated 9/3/2010, Applicant confirmed the proper set of claims for examination (separate interview summary issued).

Thus, claims 1-29 are pending and examined.

### ***Information Disclosure Statement***

The information disclosure statements (IDS) submitted are in compliance with the provisions of 37 CFR 1.97 and therefore considered by the examiner.

### ***Claim Objections***

Claims 1-29 objected to because of the following informalities:

Claims 1-29 are object to because applicant throughout the claims uses optional language such as “enabling” which renders that limitation or step as optional, since it does not necessarily need to be performed. All other similar instances in the claims should be corrected.

Applicant(s) are reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See *e.g.* MPEP §2106 II C: “Language that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. [Emphasis in original.]”; and *In re Johnston*, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006) (“As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.”).

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“As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.” *In re Johnston*, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006)(where the Federal Circuit affirmed the Board’s claim construction of “further including that said wall may be smooth, corrugated, or profiled with increased dimensional proportions as pipe size is increased” since “this additional content did not narrow the scope of the claim because these limitations are stated in the permissive form ‘may.’”).

Appropriate correction is required.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-29 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 and 15 recite a “rolling” forecast. The examiner has reviewed the disclosure and is unable to determine with specificity and definiteness what applicant regards as “rolling.” For examination purposes, the Examiner has interpreted rolling as updating a forecast within a period of time.

Claims 7 and 22 recite “ageing data.” It is unclear and indefinite what “ageing data” is particularly pointing with regards to the invention. After reviewing the disclosure, the Examiner has been unable to find a definition for “ageing data” and therefore cannot properly examine this portion of the system or the step.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-29 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 1-15 are directed to a system; however, claim 1 merely recites “servers” and “modules” as elements which can be wither software or hardware. Since the specification fails to limit such modules or servers to hardware, they can therefore be interpreted as merely software. Since no other structural hardware is recited, the claims are rejected as software per se. The applicant may include a processor and memory to overcome the rejection above.

Claims 16-29 are directed to methods. One tool for assisting in determining whether the claimed invention is directed to a statutory process under 35 USC 101 is the "machine-or-transformation" test. If a claimed method meets the "machine-or-transformation" test, the method is likely patent-eligible under 35 USC 101 unless there is a clear indication that the method is directed to an abstract idea. If a claimed method does not meet the "machine-or- transformation" test, the claim will be considered directed to a non-statutory process unless there is a clear indication that the method is not directed to an abstract idea.

An analysis of method claims using the "machine-or-transformation" test seeks to determine whether the claimed method is (1) tied to a particular machine or apparatus, or (2) transforms a particular article to a different state or thing. In addition, mere field of use limitations or limitations reciting insignificant extra- solution activity will not transform an

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unpatentable process into a patentable one, as the machine or transformation must impose meaningful limits on the method claim's scope.

In the instant case, the claims do not recite a machine in the body of the claims which creates a substantial tie so as to impose meaningful limitations on the claim scope. The steps of maintaining, enabling, producing, triggering and determining are not tied to any machine nor do they transform an underlying article to a different state or thing. Accordingly, this claim fails to pass the "machine-or-transformation" test.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Audimoolam et al. (hereinafter Audi), US 2005/0209732 A1 in view of Franco, US Patent 7,257,552 B1.

16. Audi discloses an inventory management method comprising: maintaining a database of inventory products for classifying inventory levels based on predetermined rules comprising at least a stock level and a rolling forecast of required stock over a predetermined time period (Fig 4 and assoc text, defining roles, metrics and rules; Fig 6 and assoc text, forecasting and demand planning; Fig 9 and assoc text, product groups and sub-groups); producing a product amount data signal, and output signals based on the predetermined rules (Fig 4 and associated text; Fig 8 and

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assoc text, business parameters); enabling a supplier or customer to view the output signals over a communication link to facilitate supply or ordering of stock (0050-51, user interface, 90-92); triggering actuation of a request for resupply of stock or stoppage instructions to stop resupply of stock in response to the product position data signal (0011-13, 43-49, 80-87); triggering a call for supply of stock from suppliers based on the product amount data signal or fulfilling orders submitted by customers (Fig 7 and assoc text, trigger process, 102), and generating supply documentation for the supply of stock from suppliers or fulfillment of orders from customers (Figs 2, 5 and assoc text, reporting and demand fulfillment, 0047, 54). Although Audi discloses transportation as a feature of the invention, it does not explicitly disclose determining transportation costs of stock to be supplied by a potential supplier and/or ordered by a potential customer. Franco however teaches a mechanism as part of the inventory management system and method, wherein transportation costs are integrated into to supply chain management (col. 6, lines 1-10, Fig 10D and associated text) to ensure timely and appropriate delivery for fulfillment while providing transportation costs efficiency and reduction (see background and summary). Therefore, it would have been obvious for one of ordinary skill at the time of the invention to include the feature of Franco to provide a more robust and complete inventory management system that encompasses savings associated on transportation and delivery of demand fulfillment. Furthermore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine prior art elements according to known methods to yield predictable results.

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Audi further discloses:

17. The method of claim 16 wherein the predetermined rules further comprise a minimum stock level, a current stock committed by single supplier, a multiple supplier commitment level, and wherein the critical stock level is the difference between the current stock committed by a single supplier and the multiple supplier commitment level, and wherein the multiple supplier commitment level is the sum of all the current stock committed by single suppliers (0082-86, 91-97).

18. The method of claim 16 wherein the output signals are in the form of an XML formatted document that is stored on a server (0053, XML scripted application files).

19. The method of claim 16 wherein the communication link comprises the internet (0074, 78).

20. The method of claim 19 wherein the communication link is a secured encrypted communications link (0053).

21. The method of claim 16 wherein the product amount data signal is generated by the subtraction of the forecast and critical stock level data to provide both status buffer data and the stock position data (0076-79, 97-101).

22. The method of claim 16 wherein one of the outputs supplied by the inventory server comprises an inventory status and ageing data (0008-14).



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23. The method of claim 16 wherein one of the outputs comprises a consumption status report comprised of transportation data and inventory forecast data to yield a final consumption status report (0055, 104).

24. The method of claim 21 wherein the status buffer data and the critical stock level data are compared to the forecast to produce the product amount signal in the form of an order quantity to trigger activation of the request for resupply of stock (Fig 6 and assoc text).

25. The method of claim 16 wherein forecast inventory is compared with the minimum level of inventory required, critical stock level and current stock committed by single supplier data to determine the nature of the trigger activation so that a determination is made as to whether there is excessive stock levels or shortage due to insufficient buffer stock so that triggering actions can be transmitted by the supply module to either a third party processing system or another system connected to the master server for further electronic processing, including reordering and inventory stoppage instructions (Fig 7 and assoc text; 0082-85).

26. The method of claim 21 wherein the product amount data signal is produced by combining the buffer stock data and minimum stock level data to determine whether the level of forecast inventory required data is adequate and, if not, the server supplies a trigger activation to order additional stock from a predetermined group of suppliers (0082-85; Fig 4 and assoc text).

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27. The method of claim 16 wherein an order message is created which matches each order message to each order or part specification number from a specification database and consolidates part numbers and identifying data into a look up file (0063, 73, demand and supply match).

28-29. Audi discloses the method of claim 27 as recited above, but does not explicitly disclose wherein the look up file is used to determine transportation costs from a database relating to the transportation of stock, and a calculation processor for calculating estimated shipping costs to bring all stocks to be reordered to a particular location or wherein the look up file is updated to trigger shipment booking and/or stock ordering together with transportation documentation. However, Franco does at Fig 28A and col. 52-53; col. 6, lines 1-10, Fig 10D and associated text. Therefore, it would have been obvious for one of ordinary skill at the time of the invention to include the feature of Franco to provide a more robust and complete inventory management system that encompasses savings associated on transportation and delivery of demand fulfillment to ensure timely and appropriate delivery for fulfillment while providing transportation costs efficiency and reduction. Furthermore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine prior art elements according to known methods to yield predictable results.

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Examiner's Note:

Examiner cites particular pages, columns, paragraphs and/or line numbers in the references as applied to the claims above. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. In order to facilitate compact prosecution, in preparing responses, it is respectfully requested that the Applicant fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner. Your cooperation is greatly appreciated to advance the Office goal of compact prosecution and thus reducing application pendency time.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to BRADLEY B. BAYAT whose telephone number is (571) 272-6704. The examiner can normally be reached on M-F 9-6.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey Smith can be reached on (571) 272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Bradley B Bayat/  
Primary Examiner, Art Unit 3625